



Communities,
Land and
Environment

Communautés,
Terres et
Environnement



Municipal Affairs and
Provincial Planning Division

PO Box 2000, Charlottetown
Prince Edward Island
Canada C1A 7N8

Division des affaires municipales et
de la planification provinciales

C.P. 2000, Charlottetown
Île-du-Prince-Édouard
Canada C1A 7N8

Ms. Hilary Price
Community of Victoria
P.O. Box 7
Victoria PE C0A 2G0

August 22, 2018

Dear Ms. Price,

Re: Victoria – Reserve Fund Bylaw (Bylaw #2018-05, adopted May 14, 2018)

I wish to acknowledge receipt of the following bylaw:

- Victoria – Reserve Fund Bylaw (Bylaw #2018-05, adopted May 14, 2018)

A copy of the above noted bylaw has been filed in accordance with the *Municipal Government Act*, s.129. Enclosed is the filed bylaw.

Please be advised that it is the responsibility of the municipality passing a bylaw to both ensure that the subject area covered by the bylaw is within the jurisdiction of the municipality and that the procedures for the passage of a bylaw under the *Municipal Government Act* have been complied with.

Please feel free to contact me should you have any questions regarding this matter.

Regards,

Wendy McIsaac
Sr. Policy Analyst, Municipal Affairs
(902) 569-7621
wmcisaac@gov.pe.ca

Encl.

Rural Municipality of Victoria
Received August 27, 2018

Rural Municipality of Victoria, PEI
A Bylaw to Regulate Reserve Funds
Bylaw #2018-05

BE IT ENACTED by the Council of the Rural Municipality of Victoria as follows:

1. **Title**
 - 1.1 This bylaw shall be known and cited as the “Reserve Funds Bylaw.”
2. **Authority**
 - 2.1 Section 155.(1) of the *Municipal Government Act* R.S.P.E.I. 1988, Cap. M-12.1 enables council to establish, by bylaw, one or more reserve funds in the name of the municipality for any municipal purpose.
3. **Application**
 - 3.1 This bylaw applies to Council who may establish one or more reserve funds to facilitate efficient financial planning and ensure greater transparency and accountability to the public.
 - 3.2 This bylaw also allows for the consolidation of the authority for all reserve funds into one bylaw.
4. **Definitions**
 - 4.1 “Act” means the Municipal Government Act.
 - 4.2 “Chief Administrative Officer” or “CAO” means the administrative head of a municipality as appointed by council under subsection 86(2)© of the *Municipal Government Act*.
 - 4.3 “Council” means the Mayor and other members of the Council of the municipality.
 - 4.4 “Councillor” means a member of Council other than the Mayor.
 - 4.5 “Reserve fund” means money set aside for a specific purpose by approval of Council.
5. **Principles**
 - 5.1 The principles regarding reserve funds are as follows:
 - (1.a) Reserve funds are important long term financial planning tools;
 - (1.b) Reserve funds must be used to promote sound fiscal stewardship and management;
 - (1.c) Reserve funds provide resources for balancing the use of long-term debt to provide for reoccurring or anticipated expenditures;
 - (1.d) Reserve funds are intended to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes due to temporary revenue shortfalls or unpredicted one-time expenditures;
 - (1.e) Money set aside in reserve funds must only be approved by Council for the purposes identified in this bylaw and as authorized by the Reserve Fund Policy that governs each reserve fund adopted by Council;

(1.f) The Chief Administrative Officer (CAO) will administer and monitor all transactions involving reserve funds.

6. Criteria and Conditions for Reserve Fund Contributions, Transfers, Withdrawals

- 6.1 The reserve funds listed in Column 1 of Schedule A of this bylaw are hereby established and money shall be deposited into them as allocated by the Council for the purpose(s) described in each "Reserve fund Policy" established by Council.
- 6.2 Any interest derived from a reserve fund is reported as revenue fund earnings and shall be considered part of the fund.
- 6.3 All withdrawals from the reserve fund must be approved by a resolution of Council.
- 6.4 All contributions and/or withdrawals from each reserve fund must be approved by Council either generally as part of the annual budget approval process or specifically by resolution at a duly constituted meeting of the Council. Council is required to approve all transactions related to reserve funds in accordance with the reserve fund policies established by Council.

7. Closure of Reserve Funds

- 7.1 A reserve fund may not be closed, and any remaining money may not be withdrawn, until such time as Council determines the following:
 - (1.a) That the purpose for which the reserve fund was established has been achieved;
 - (1.b) That the reserve fund is no longer required to achieve the long term financial planning goals of Council; or
 - (1.c) That the money set aside in a reserve fund would be better used for an alternate purpose
- 7.2 If Council determines that a reserve fund is to be closed, Council must, by resolution, close the reserve fund and must amend Schedule "A" of this Reserve Fund Bylaw to reflect the closure date of the reserve fund. Any closure of a reserve fund must be documented in column 2 of Schedule "A". Schedule "A" is considered to be part of this Bylaw and may only be altered by amendment of this Reserve Fund Bylaw.

8. Reporting

- 8.1 Reserve fund balances, projected contributions, and planned expenditure or withdrawals must be presented with the annual budget and in the year-end financial statements.

9. Effective Date

- 9.1 This Reserve funds Bylaw, Bylaw #2018-05, shall be effective on the date of approval and adoption below.

First Reading:

This Bylaw to Regulate Reserve Funds, Bylaw #2018-05, was read a first time at the Council meeting held on 9th day of April, 2018.

This Bylaw to Regulate Reserve Funds, Bylaw #2018-05, was approved by a majority of Council members present at the Council meeting held on the 9th day of April, 2018.

Second Reading:

This Bylaw to Regulate Reserve Funds, Bylaw #2018-05, was read a second time at the Council meeting held on the 14th day of May, 2018.

This Bylaw to Regulate Reserve Funds, Bylaw #2018-05, was approved by a majority of Council members present at the Council meeting held on the 14th day of May, 2018.


Approval and Adoption by Council:

This Bylaw to Regulate Reserve Funds, Bylaw #2018-05, was adopted by a majority of Council members present at the Council meeting held on the 14th day of May, 2018.

Signatures



Mayor



Chief Administrative Officer

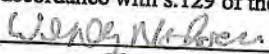
This bylaw to regulate reserve funds, bylaw #2018-05, adopted by the Council of the Rural Municipality of Victoria on the 14th day of May, 2018 is certified to be a true copy.



Chief Administrative Officer

Date May 22 2018

Filed on behalf of the Minister of Communities, Land and Environment in accordance with s.129 of the *Municipal Governance Act*



(Signed)

8/15/18
Dated

Schedule A – Reserve Funds

Name	Year Established	Purpose	Date of Fund Closure
Community Priority & Contingency Reserve	2018	To provide for unforeseen expenditures that may occur within a year which are not part of the approved budget, but that Council determines to be necessary or of considerable merit.	